

CIA says Imports not necessary U.S.S.R.

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Soviet Union's ability to live without imports is much greater than that of most, possibly all, other industrialized economies, the CIA has concluded in a study of the Soviet economy, and an economic collapse of the Soviet Union should not be considered "even a remote possibility."

A report, delivered to the Joint Economic Committee of Congress on Monday by Henry Rowen, chairman of the CIA's National Intelligence Council, seemed to support the argument that U.S. trade embargoes against the Soviet Union had only limited effect.

Reagan administration has sought to tighten Western controls on trade with the Soviet Union to bring economic pressure on Moscow, a policy often at odds with European allies and some American business-

The CIA said that for the last decade, the Soviet Union has used trade with the West to help modernize its economy and make it more efficient. But he said these imports were not crucial.

The report said that the Soviets have relied on Western imports of capital and technology to increase or maintain production of some raw materials, and that food imports have "become critical" to maintaining a quality diet.

Imports of grain and other agricultural products, it said, meant primarily to prevent a decline in meat consumption, cost the Soviets \$12 billion in 1981, or 40 percent of their hard currency purchases that year.

But Rowen said that "despite the large-scale expansion in agricultural imports, the Soviet Union remains basically self-sufficient with respect to food."

He said that the average Soviet citizen consumes about 3,300 calories a day, compared with 3,520 by an average American, and that grain production in the Soviet Union "is more than sufficient to meet consumer demand for bread and other cereal products." The report showed that the Soviet diet consists of far more grain and potatoes and less fish, meat and sugar than the American diet.

Imports from the West, he said, "can play an important role in relieving critical shortages, spurring technological progress, and generally improving Soviet economic performance."

However, he added that "the ability of the Soviet economy to remain viable in the absence of imports is much greater than that of most, possibly all, other industrialized economies."

"Consequently," he concluded, "the susceptibility of the Soviet Union to economic leverage tends to be limited."

Rowen's report was prepared at the request of Sen. William Proxmire, D-Wis., vice chairman of the subcommittee on international trade, finance and security economics, who had asked for "a balanced assessment" of the strengths and weaknesses of the Soviet economy.

The CIA said Soviet trade with the West made up only 5 percent of the GNP. But the CIA did seem to agree with some administration policy makers when it said that the Soviets would have to import 15 million to 20 million tons of steel pipe in the next seven years to build the pipelines it has planned, and will need "sophisticated" exploration equipment for its oil and natural gas fields. The administration has tried to block those